Hike in the Prices of Petroleum Products

*393. SHRI ABANI ROY :
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state :

(a) whether Government have recently increased the prices of LPG, kerosene and other petroleum products;

(b) if so, the reasons and justification therefor;

(c) the extent to which subsidy on petroleum products have been reduced as a result of increase in thier prices;

(d) whether the middle and poor class families have been affected due to hike in petroleum prices; and

(e) if so, the steps taken to roll back increase in prices of these petroleum products ?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI RAM NAIK) : (a) Yes, Sir. Government has incresed the ex-storage point price of LPG (Packed Domestic) by Rs. 30 per cylinder, PDS kerosene by Rs. 2.50 per litre and aviation turbine fuel (ATF) by Rs. 2.00 per litre with effect from mid-night of 22-23 March, 2000.

(b) The revision in the prices has been affected to contain the growing deficit in the oil pool acccount due to steep increase in the international prices of crude oil and petroleum products. The increase are also in line with the decision taken by the Government in November, 1997 on removal of subsidies on petroleum products in a phased manner.

(c) The estimated deficit in the oil pool account would come down by about Rs. 5,400 crores on an annual basis. Consequent to the recent revision of the selling prices, the subsidy on LPG (Packed Domestic) and PDS kerosene has been reduced by Rs. 30 per cylinder and Rs. 2.50 per litre, respectively.

(d) In the event of consumer prices of petroleum products moving to market prices in a phased manner as envisaged in the decision taken by the Government in November, 1997, the gain/loss to consumer in the country would be corresponding to decrease/increase in the prices of these products.

(e) There is no proposal to roll back the increase in prices.